

By: Senator(s) Robertson

To: Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2214

1 AN ACT TO AMEND SECTION 25-14-5, MISSISSIPPI CODE OF 1972, TO
2 AUTHORIZE THE STATE AND ITS POLITICAL SUBDIVISIONS TO MAKE
3 CONTRIBUTIONS TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM'S
4 DEFERRED COMPENSATION PLAN ON BEHALF OF ACTIVELY PARTICIPATING
5 MEMBERS UNDER CERTAIN CIRCUMSTANCES; TO AUTHORIZE FUNDS IN THE
6 DEFERRED COMPENSATION PLAN TO BE USED TO PURCHASE FIXED OR
7 VARIABLE LIFE INSURANCE OR ANNUITY CONTRACTS IF THE CONTRACTS ARE
8 AUTHORIZED FOR PURCHASE BY THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
9 FROM A BUSINESS AUTHORIZED BY THE SYSTEM TO OFFER THEIR PRODUCTS
10 IN THE PLAN; TO AMEND SECTION 25-14-7, MISSISSIPPI CODE OF 1972,
11 TO MAKE IT CLEAR THAT THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM'S
12 DEFERRED COMPENSATION PROGRAM SHALL BE OPERATED IN ACCORDANCE WITH
13 THE GUIDELINES ESTABLISHED BY THE INTERNAL REVENUE SERVICE AS
14 REFLECTED IN THE PLAN DOCUMENT; AND FOR RELATED PURPOSES.

15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

16 **SECTION 1.** Section 25-14-5, Mississippi Code of 1972, is
17 amended as follows:

18 25-14-5. The State of Mississippi, or any state agency,
19 county, municipality or other political subdivision may, by
20 contract, agree with any employee to defer, in whole or in part,
21 any portion of that employee's income, and may make contributions
22 to the plan on behalf of actively participating members on a
23 uniform basis through an employer contribution agreement as
24 provided for in the Mississippi Deferred Compensation Plan and
25 Trust Plan Document if making the contribution does not conflict
26 with any other state law. State agencies must have specific
27 authority in order to make contributions to the plan on behalf of
28 members. Those funds may subsequently be used to purchase a fixed
29 or variable life insurance or annuity contract authorized for
30 purchase by the Public Employees' Retirement System of Mississippi
31 for the purpose of protecting its obligation to the deferred
32 compensation program for the employee from any life underwriter
33 duly licensed by this state who represents an insurance company

34 licensed to contract fixed and variable annuities and fixed or
35 variable life insurance business in this state and authorized by
36 the Public Employees' Retirement System of Mississippi to offer
37 their products in the plan, or to purchase any investments
38 authorized for purchase by the Public Employees' Retirement System
39 of Mississippi under Section 25-11-121, or to invest those monies
40 in a fund or funds maintained by a corporate trustee, which fund
41 or funds are used as an investment media for retirement, pension
42 or profit sharing plans that are tax qualified for that purpose.
43 However, in the administration of this plan, the Public Employees'
44 Retirement System of Mississippi may adopt such regulations as are
45 reasonable and necessary to assure the orderly functioning of the
46 plan, but those regulations shall not unreasonably restrict all
47 licensed life underwriters and insurance companies described in
48 this section from concurrently participating in providing
49 contracts authorized under this section. Anything in any other
50 law to the contrary notwithstanding, the deferred portion of the
51 employee's compensation, the plan and the monies in the plan
52 created by this chapter, are exempt from any state, county or
53 municipal ad valorem taxes, income taxes, premium taxes, privilege
54 taxes, property taxes, sales and use taxes and any other taxes not
55 so named, until the deferred compensation is paid to the employee
56 or beneficiary and exempt from levy, garnishment, attachment or
57 any other process whatsoever.

58 **SECTION 2.** Section 25-14-7, Mississippi Code of 1972, is
59 amended as follows:

60 25-14-7. The administration of the deferred compensation
61 program shall be under the direction of the Public Employees'
62 Retirement System of Mississippi or the appropriate officer
63 designated by a county, municipality, or other political
64 subdivision. The deferred compensation program shall be operated
65 in accordance with the guidelines established by the Internal
66 Revenue Service as reflected in the plan document as may be

67 modified from time to time by the board of trustees. Payroll
68 reductions shall be made, in each instance, by the appropriate
69 payroll officer. The administrator of a deferred compensation
70 program may contract with a private corporation or institution for
71 providing consolidated billing and other administrative services
72 if deemed necessary by the administrator.

73 The board of trustees may levy such charges and fees on
74 participants' contributions as may reasonably be necessary to
75 provide for the administrative expenses of operating the deferred
76 compensation program, including, but not limited to, the services
77 of auditors, consultants, money managers and third-party
78 administrators.

79 **SECTION 3.** This act shall take effect and be in force from
80 and after its passage.